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TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Application Number	09/518,837
Filing Date	Mar 3, 2000
First Named Inventor	Tuttle, Frank D.
Art Unit	3628
Examiner Name	Frantzy Poinvil
Total Number of Pages in This Submission: 147	Attorney Docket Number: 800470

ENCLOSURES *(Check all that apply)*

- [X] Fee Transmittal Form
  - [X] Fee Attached
- [ ] Amendment / Reply
  - [ ] After Final
  - [ ] Affidavits/declaration(s)
- [ ] Extension of Time Request
- [ ] Express Abandonment Request
- [ ] Information Disclosure Statement
- [ ] Certified Copy of Priority Document(s)
- [ ] Response to Missing Parts/ Incomplete Application
  - [ ] Response to Missing Parts under 37 CFR 1.52 or 1.53
- [ ] Drawing(s)
- [ ] Licensing-related Papers
- [ ] Petition
- [ ] Petition to Convert to a Provisional Application
- [ ] Power of Attorney, Revocation Change of Correspondence Address
- [ ] Terminal Disclaimer
- [ ] Request for Refund
- [ ] CD, Number of CD(s) _____
- [ ] After Allowance communication to Technology Center (TC)
- [ ] Appeal Communication to Board of Appeals and Interferences
- [X] Appeal Communication to TC **(Appeal Notice, Brief, Reply Brief)**
- [ ] Proprietary Information
- [ ] Status Letter
- [X] Other Enclosure(s) (please identify below):
  -- postcard receipt

Remarks

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT

Firm or Individual name	Taylor Russell & Russell, P.C. Douglas D. Russell
Signature	Douglas D Russell
Date	August 2, 2004

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PTO/SB/17 (10-03)
Approved for use through 07/31/2006. OMB 0651-0032
U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

FEE TRANSMITTAL for FY 2004

Effective 10/01/2003. Patent fees are subject to annual revision.

☒ Applicant Claims small entity status. See 37 CFR 1.27

TOTAL AMOUNT OF PAYMENT ($) 165

Complete if Known	
Application Number	09/518,837
Filing Date	3/3/2000
First Named Inventor	Tuttle, Frank D.
Examiner Name	Frantzy Poinvil
Art Unit	3628
Attorney Docket No.	800470

METHOD OF PAYMENT *(check all that apply)*

☐ Check ☒ Credit card ☐ Money Order ☐ Other ☐ None

☐ Deposit Account

Deposit Account Number:

Deposit Account Name:

The Director is authorized to: *(check all that apply)*

☐ Charge fee(s) indicated below ☐ Credit any overpayments

☐ Charge any additional fee(s) or any underpayment of fee(s)

☐ Charge fee(s) indicated below, **except for the filing fee** to the above-identified deposit account.

FEE CALCULATION

1. BASIC FILING FEE

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description	Fee Paid
1001	770	2001	385	Utility filing fee	
1002	340	2002	170	Design filing fee	
1003	530	2003	265	Plant filing fee	
1004	770	2004	385	Reissue filing fee	
1005	160	2005	80	Provisional filing fee	

SUBTOTAL (1) ($) 0

2. EXTRA CLAIM FEES FOR UTILITY AND REISSUE

		Extra Claims		Fee from below	=	Fee Paid
Total Claims	-20**=		X		=	
Independent Claims	- 3**=		X		=	
Multiple Dependent					=	

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description
1202	18	2202	9	Claims in excess of 20
1201	86	2201	43	Independent claims in excess of 3
1203	290	2203	145	Multiple dependent claim, if not paid
1204	86	2204	43	**Reissue independent claims over original patent
1205	18	2205	9	**Reissue claims in excess of 20 and over original patent

SUBTOTAL (2) ($) 0

** or number previously paid, if greater; For Reissues, see above

FEE CALCULATION (continued)

3. ADDITIONAL FEES

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description	Fee Paid
1051	130	2051	65	Surcharge – late filing fee or oath	
1052	50	2052	25	Surcharge – late provisional filing fee or cover sheet	
1053	130	1053	130	Non-English specification	
1812	2,520	1812	2,520	For filing a request for *ex parte* reexamination	
1804	920*	1804	920*	Requesting publication of SIR prior to Examiner action	
1805	1,840*	1805	1,840*	Requesting publication of SIR after Examiner action	
1251	110	2251	55	Extension for reply within first month	
1252	420	2252	210	Extension for reply within second month	
1253	950	2253	475	Extension for reply within third month	
1254	1,480	2254	740	Extension for reply within fourth month	
1255	2,010	2255	1,005	Extension for reply within fifth month	
1401	330	2401	165	Notice of Appeal	
1402	330	2402	165	Filing a brief in support of an appeal	165
1403	290	2403	145	Request for oral hearing	
1451	1,510	1451	1,510	Petition to institute a public use proceeding	
1452	110	2452	55	Petition to revive – unavoidable	
1453	1,330	2453	665	Petition to revive – unintentional	
1501	1,330	2501	665	Utility issue fee (or reissue)	
1502	480	2502	240	Design issue fee	
1503	640	2503	320	Plant issue fee	
1460	130	1460	130	Petitions to the Commissioner	
1807	50	1807	50	Processing fee under 37 CFR 1.17(q)	
1806	180	1806	180	Submission of Information Disclosure Stmt	
8021	40	8021	40	Recording each patent assignment per property (times number of properties)	
1809	770	2809	385	Filing a submission after final rejection (37 CFR 1.129(a))	
1810	770	2810	385	For each additional invention to be examined (37 CFR 1.129(b))	
1801	770	2801	385	Request for Continued Examination (RCE)	
1802	900	1802	900	Request for expedited examination of a design application	

Other fee (specify) _____

*Reduced by Basic Filing Fee Paid SUBTOTAL (3) ($) 165

SUBMITTED BY

Complete (if applicable)

Name (Print/Type)	Douglas D. Russell	Registration No. (Attorney/Agent)	40152	Telephone	512-338-4601
Signature	Douglas D Russell			Date	August 2, 2004

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Certificate of Mailing under 37 C.F.R. 1.10

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Aug 2, 2004
Date

Ellen Huffman

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s): Frank D. Tuttle	Group Art Unit: 3628
Application No.: 09/518,837	Examiner: Frantzy Poinvil
Filed: 03/03/2000	Attorney Docket No.: 800470
Title: Loan Compliance Auditing System and Method	

Mail Stop Appeal Brief - Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

APPLICANT'S APPEAL BRIEF UNDER 37 CFR 1.192

Dear Sir:

The following Appeal Brief is respectfully submitted in support of Applicants' appeal of the Office's final rejection of claims with a mailing date of March 9, 2004. Applicant responded to the Office's final rejections by presenting final arguments for allowance and requested reconsideration and reexamination. The Office issued an Advisory Action with a mailing date of July 2, 2004 sustaining the final rejections.

08/05/2004 HALI11 00000014 09518837
01 FC:2402 165.00 OP

APPEAL BRIEF CONTENTS

1. REAL PARTY IN INTEREST

The real party of interest is the assignee of record, Mavent, Inc.

2. RELATED APPEALS AND INTERFERENCES

No other appeals or interferences are pending which would affect, or be affected by, or have bearing on the Board's decision.

3. STATUS OF CLAIMS

In a response of the first Office Communication of March 4, 2003, Applicant amended claims 1, 2, 3, 5-9, 14, 17 and 19 to overcome rejections under 35 U.S.C. § 101 and 35 U.S.C. § 102(b), and to further distinguish Applicant's claimed invention over the references cited by the Office. In response to the second Office Communication of September 8, 2003, claim 42 was amended to correct a typographical error and arguments were presented to rebut establishment of a *prima facie* of obviousness in order to overcome rejections of all of Applicant's claims 1-42 under 35 U.S.C. § 103(a). In a Final Office Communication of March 9, 2004, the Office once again rejected claims 1-42 based on similar reasoning that was used in the Office Communication of September 8, 2003. In response to the Final Office Communication, arguments were presented for lack of a *prima facie* of obviousness and for nonobviousness under the Graham factual inquiries in order to overcome rejections of all of Applicant's claims 1-42 under 35 U.S.C. § 103(a). In an Advisory Action of July 2, 2004, the Office sustained the final rejections of Applicant's claims 1-42. The current status claims 1-42 is shown in APPENDIX A.

4. STATUS OF AMENDMENTS

There are no outstanding amendments to the application. No amendments have been filed subsequent to final rejection.

5. SUMMARY OF INVENTION

The present invention provides an automated computer-implemented method for

determining whether a loan file, either in a loan origination system of a lending institution or inputted by a user, is in compliance with federal, state and other jurisdictional requirements. These requirements place limitations on allowable parameters, such as interest rates, points and closing fees, contained in a loan file that loan originators may use when processing and closing a loan. These requirements also dictate that certain state, federal and other jurisdictional licenses to be held by participating parties in the loan origination process, as indicated by entries in the loan file. These strict requirements are placed on loan origination entities for protection of loan applicants, and are enforced by various penalties including fines and loss of applicable licenses. See the specification, page 2, line 17 through page 4, line 10.

The automated compliance system is first initialized with computer-coded rules, 13 in Figure 1, derived from licensing requirements, laws and regulations applicable to the local jurisdiction. Key data fields are either manually entered or automatically extracted from a loan file contained in a loan origination system and transmitted to a loan audit server, 121 in Figure 11, where the data fields are compared with values determined by the computer-coded rules shown as 13 in Figure 1 and 123 in Figure 11. Compliance is automatically determined by whether the data in the data fields, 11 in Figure 1, conform to the computer-coded rules shown as 13 in Figure 1. This comparison of the data to the rules by the loan audit engine, shown as 12 in Figure 1 and 121 in Figure 11, determines whether the loan data file meets all the regulatory requirements placed on each individual loan that is processed by a loan origination entity such as a mortgage company or bank. The comparison determines, for example, if the interest rate charged on a loan is within Federal Consumer protection guidelines for the particular type of loan. It may also be determined if the fees charged by a property appraiser, loan originator, real estate agent, title company, etc exceed government limits. Once the rules for a particular lender

and lender jurisdiction have been determined, all loan data file by the lender in that jurisdiction may be processed using these same riles by a loan audit engine shown as 12 in Figure 1, to produce loan audit results shown as 15 in Figure 1. The loan audit result, 15 in Figure 1, of the compliance assessment is returned to the user/requestor or the loan origination system of the lending institution.

A typical embodiment of Applicant's invention is a computer-implemented system and method for auditing loan compliance that includes: (1) allowing a user to display, enter and store loan audit compliance data on a computer user interface shown as 21 in Figure 2; (2) allowing a user to interactively build loan compliance rules on a computer user interface, shown in Figures 6-8, and to store the loan compliance rules in a rules database, shown as 23 in Figure 2; and (3) responding to a loan audit request by retrieving the stored loan compliance rules and stored loan audit data, comparing the loan compliance rules to the loan audit data by the loan audit engine, shown as 12 in Figure 2, to determine a loan audit compliance result, and notifying a user of the loan audit compliance result. Alternatively, loan audit compliance data may be electronically transferred over a communications network, shown as 124 in Figure 11, from a user, shown as 125 in Figure 11, to a loan audit server computer, shown as 121 in Figure 11, for comparing the loan compliance rules, shown as 123 in Figure 11, to the loan audit data to determine a loan audit compliance result, and the loan audit compliance result may be electronically transferred from the loan audit server computer to the user, shown as 125 in Figure 11, over the communications network.

The method of claim 1 includes the steps of (a) entering and displaying loan audit data, (b) building loan compliance rules, and (c) responding to a loan audit request. The step of (a) allowing a user to display and enter loan audit compliance data comprises (i) receiving and

displaying loan audit data on a user interface of a computer system, as shown as 11 in Figure 1, 122 and 125 in Figure 11 described in the specification page 14, lines 16-21. The step (a) also comprises (ii) storing the loan audit data in a loan data database in the computer system, as shown as 11 in Figure 1, 122 and 125 in Figure 11 described in the specification page 14, lines 16-21.

The step in Applicant's method claim 1 of (b) allowing a user to interactively build loan compliance rules comprises (i) enabling the user to interactively build loan compliance rules on a user interface of the computer system, as shown as 21 in Figure 2 described in the specification page 10, lines 15-17, and Figure 10 described in the specification page 13, lines 7-23. The step (b) also comprises (ii) storing the loan compliance rules in a loan compliance rules database in the computer system, as shown as 13 in Figure 1, 23 in Figure 2 described in specification page 10, lines 17-22, Figures 4-6 and associated description, and as 123 in Figure 11 described in the specification page 14, lines 7-8.

The step in Applicants method claim 1 of (c) responding to a loan audit request received from a user on a user interface of the computer system comprises (i) retrieving the loan compliance rules from the loan compliance rules database, as shown as 13 in Figure 1, 23 in Figure 2 described in the specification page 10, lines 17-22, and 123 in Figure 11 described in the specification page 14, lines 7-8. The step (c) also comprises (ii) retrieving the loan audit data from the loan data database, as shown as 11 in Figure 1, as122 and 125 in Figure 11 described in the specification page 14, lines 16-21. The step (c) further comprises (iii) comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result, as shown as 12 and 15 in Figure 1 described in the specification page 9, line 22 through page 10, line 2, and as 121 in Figure 11. The step (c) yet further comprises (iv) notifying the loan audit request user

of the determined loan audit compliance result, as shown as 15 in Figure 1, as 122 and 125 in Figure 11 described in the specification page 14, lines 16-21.

The Applicant's method claim 2 includes the steps of (a) entering and displaying loan audit data, (b) building loan compliance rules, and (c) responding to a loan audit request. The step of (a) allowing a user to display and enter loan audit compliance data comprises (i) receiving and displaying loan audit data on a user interface of a computer system, as shown as 11 in Figure 1, 122 and 125 in Figure 11 described in the specification page 14, lines 16-21. The step (a) also comprises (ii) storing the loan audit data in a loan data database in the computer system, as shown as 11 in Figure 1, 122 and 125 in Figure 11 described in the specification page 14, lines 16-21.

The step of Applicant's method claim 2 of (b) allowing a user to interactively build loan compliance rules comprises (i) using applicable licenses for a geographic boundary, building loan compliance rules for all applicable licenses available within the geographic boundary, as shown as 21 in Figure 2 described in the specification page 10, lines 15-17, and Figure 10 described in the specification page 13, lines 7-23. The step (b) further comprises (ii) associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses, as shown as 41 in Figure 4 and 91 in Figure 9 with associated specification descriptions, and storing the list of loan originator licenses in the loan compliance rules database in the computer system, as shown as 13 in Figure 1, as 23 in Figure 2 described in specification page 10, lines 17-22, Figures 4-6 and associated specification description, and as 123 in Figure 11 described in the specification page 14, lines 7-8.

The step of Applicant's method claim 2 of (c) responding to a loan audit request received from a user on a user interface of the computer system comprises (i) identifying a loan type and

loan originator, as shown as 25 and 26 in Figure 2 and Figure 9 with associated specification description. The step (c) further comprises (ii) retrieving the loan originator licenses for the loan type and loan originator from the loan compliance rules database, as shown as 23, 25 and 26 in Figure 2, and Figure 5. The step (c) further comprises (iii) retrieving the loan compliance rules associated with the loan originator licenses from the loan compliance rules database, as shown in 23 and 25 in Figure 2 and Figure 4. The step (c) further comprises (iv) retrieving the loan audit data from the loan data database, as shown as 11 in Figure 1 and 122 and 125 in Figure 11 as described in the specification page 14, lines 16-21. The step (c) further comprises (v) comparing the loan compliance rules with the loan audit data to determine a loan audit compliance result, as shown as 13, 12 and 15 in Figure 1, and as 122, 121 and 123 in Figure 11. The step (c) further comprises (vi) notifying the loan audit request user of the determined loan audit compliance result, as shown as 15 in Figure 1, and 122 and 125 in Figure 11.

Alternatively, loan audit compliance data, shown as 11 in Figure 1 and contained in a loan audit station 125 shown in Figure 11, may be electronically transferred over a communications network, shown as 124 in Figure 11, from a user 125 to a loan audit server computer 121 shown in Figure 11. The loan compliance rules, 123 in Figure 11, are compared to the loan audit data to determine a loan audit compliance result, 15 in Figure 1, and the loan audit compliance result may be electronically transferred from the loan audit server computer 121 to the user 125 over a communications network 124, as shown in Figure 11.

The system of Applicant's claim 25 comprises (a) a user interface for displaying and entering loan compliance data, as shown in Figures 3, 4 and 5, and as 122 and 125 in Figure 11. The system further comprises (b) a loan server, shown as 121 in Figure 11, communication with the user interface that (i) allows a user to interactively build a set of compliance rules, as shown

in Figure 10, and (ii) stores the loan compliance rules, as shown as 123 in Figure 11. In response to a loan audit request (iii), the (b) loan server identifies a loan type, as shown as 25 and 26 in Figure 2, determines the loan compliance rules that apply to the loan type, as shown as 24 in Figure 2, and compares the loan compliance rules, shown as 13 in Figure 1, to loan data associated with the loan audit request, as shown as 11 in Figure 1, to determine loan audit results, shown as 15 in Figure 1.

6. ISSUE

Whether Applicant's claims 1-42 are unpatentable under 35 U.S.C. § 103(a) over the Davidson reference, U.S. Patent No. 5,699,527 in view of the CompliancePro reference. Applicant has submitted arguments below to substantiate a lack of a *prima facie* case of obviousness as well as an alternative analysis to substantiate a case of nonobviousness under the Graham Factual Inquiries (see *Graham v. John Deere*, 383 U.S. 1, 148 USPQ 459 (1966)).

7. GROUPING OF CLAIMS

For each ground of rejection that Applicant contests herein, which applies to more than one claim, such additional claims, to the extent separately identified and argued below, do not stand or fall together.

8. ARGUMENTS

Applicant has submitted arguments below to substantiate a lack of a *prima facie* case of obviousness as well as an alternative analysis to substantiate a case of nonobviousness under the Graham Factual Inquiries (see *Graham v. John Deere*, 383 U.S. 1, 148 USPQ 459 (1966)).

8.1 ARGUMENTS FOR LACK OF A PRIMA FACIE CASE OF OBVIOUSNESS

The Office has rejected claims 1-42 under 35 U.S.C. § 103(a) as being unpatentable over Davidson (U.S. Patent 5,699,527) in view of CompliancePro, discussed by Phil Britt. The Office bears the initial burden of establishing a *prima facie* case of obviousness. *See In re Piasecki*, 223

USPQ785, 788 (Fed. Cir. 1984). To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 20 USPQ2d 1438 (Fed. Cir. 1991), MPEP § 2142 and § 2143.

Regarding the first criteria for establishing a *prima facie* case of obviousness, the Office has not cited any reference or provided any substantial suggestion or motivation to combine the references in order to arrive at Applicant's invention. Furthermore, regarding the second criteria, the Office has not cited a reasonable expectation of success even if the references were combined as suggested. The following paragraphs present discussions of the third criteria necessary for the establishment of a *prima facie* case of obviousness.

8.11 Arguments for Independent Claim Rejections Under 35 U.S.C. § 103(a)

Regarding independent claim 1 (previously presented), there is no teaching or suggestion in the Davidson and CompliancePro references for (a) "allowing a user to display and enter loan audit compliance data, comprising the steps of receiving and displaying loan audit data on a user interface of a computer system and storing the loan audit data in a loan data database in the computer system". There is no teaching or suggestion in the Davidson and CompliancePro references for (b) "allowing a user to interactively build loan compliance rules comprising the steps of enabling the user to interactively build loan compliance rules on a user interface of the computer system and storing the loan compliance rules in a loan compliance rules database in the

computer system". There is no teaching or suggestion in the Davidson and CompliancePro references for (c) "responding to a loan audit request received from a user on a user interface of the computer system comprising the steps of retrieving the loan compliance rules from the loan compliance rules database, retrieving the loan audit data from the loan data database, comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result, and notifying the loan audit request user of the determined loan audit compliance result.". The Davidson and CompliancePro references fail to disclose each and every element of the claimed invention, arranged as in claim 1. Therefore, a *prima facie* case for unpatentability of claim 1 (previously presented), based on obviousness under 35 U.S.C. § 103 (a), is not supported by the Davidson and CompliancePro references.

Regarding independent claim 2 (previously presented), there is no teaching or suggestion in the Davidson and CompliancePro references for (a) "allowing a user to display and enter loan audit compliance data comprising the steps of receiving and displaying loan audit data on a user interface of a computer system and storing the loan audit data in a loan data database in the computer system". There is no teaching or suggestion in the Davidson and CompliancePro references for (b) "allowing a user to interactively build loan compliance rules on a user interface of the computer system comprising the steps of using applicable licenses for a geographic boundary, building loan compliance rules for all applicable licenses available within the geographic boundary and storing the loan compliance rules in a loan compliance rules database in the computer system, and associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses and storing the list of loan originator licenses in the loan compliance rules database in the computer system". There is no teaching or suggestion in the Davidson and CompliancePro references for (c) "responding to a

loan audit request received from a user on a user interface of the computer system comprising the steps of identifying a loan type and loan originator, retrieving the loan originator licenses for the loan type and loan originator from the loan compliance rules database, retrieving the loan compliance rules associated with the loan originator licenses from the loan compliance rules database, retrieving the loan audit data from the loan data database, comparing the loan compliance rules with the loan audit data to determine a loan audit compliance result, and notifying the loan audit request user of the determined loan audit compliance result". The Davidson and CompliancePro references fail to disclose each and every element of the claimed invention, arranged as in claim 2. Therefore, a *prima facie* case for unpatentability of claim 2 (previously presented), based on obviousness under 35 U.S.C. § 103 (a) is not supported by the Davidson and CompliancePro references.

Regarding independent claim 22 (original), there is no teaching or suggestion in the Davidson and CompliancePro references for (a) "electronically transferring loan data from a user interface embodied in a computer processor to a loan audit server computer over a communications network". There is no teaching or suggestion in the Davidson and CompliancePro references for (b) "at the user interface computer, allowing a user to interactively build loan compliance rules using compliance based rule variables and rule building instructions comprising using licenses applicable to the state, building rules for all applicable licenses available within the state, and associating the applicable licenses with a loan originator to form a list of loan originator applicable licenses and storing the loan originator applicable licenses". There is no teaching or suggestion in the Davidson and CompliancePro references for (c) "storing the loan compliance rules in a database connected to the loan audit server computer". There is no teaching or suggestion in the Davidson and CompliancePro references for (d) "in

response to a loan audit request, identifying a loan type and the loan originator, retrieving the applicable licenses for the loan type and the loan originator by the loan server, retrieving the loan compliance rules associated with the applicable licenses from the stored rules in the database by the loan server, comparing the loan compliance rules to loan data to determine loan audit compliance results by the loan server, and electronically transferring the loan audit compliance results from the loan server to the user over a communications network". The Davidson and CompliancePro references fail to disclose each and every element of the claimed invention, arranged as in claim 22. Therefore, a *prima facie* case for unpatentability of claim 22 (original), based on obviousness under 35 U.S.C. § 103 (a) is not supported by the Davidson and CompliancePro references.

Regarding independent claim 25 (original), there is no teaching or suggestion in the Davidson and CompliancePro references for (a) "a user interface for displaying and entering loan audit compliance data". There is no teaching or suggestion in the Davidson and CompliancePro references for (b) "a loan audit server communicating with the user interface that allows a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions, stores the loan compliance rules, and in response to a loan audit request, identifies a loan type, determines the loan compliance rules that apply to the loan type, and compares the loan compliance rules to loan data associated with the loan audit request to determine loan audit results". The Davidson and CompliancePro references fail to disclose each and every element of the claimed invention, arranged as in claim 25. Therefore, a *prima facie* case for unpatentability of claim 25 (original), based on obviousness under 35 U.S.C. § 103 (a) is not supported by the Davidson and CompliancePro references.

Since every element of the claimed invention, arranged as in the independent claims, is not found in the cited prior art references of Davidson and CompliancePro, Applicants' independent claims 1, 2, 22 and 25 are not unpatentable over the Davidson and CompliancePro references under 35 U.S.C. §103(a).

Furthermore, claims 3-21 and 23 are dependent upon independent claim 2, claim 24 is dependent upon independent claim 22, and claims 26-42 are dependent upon independent claim 25. These dependent claims are either directly or indirectly dependent upon independent claims 1, 2, 22 and 25, respectively, and therefore incorporate all the limitations of the independent claims while providing further unique and non-obvious recitations. Therefore, the rejections of these dependent claims based on obviousness are also unsupported by the Davidson and CompliancePro references and should be withdrawn.

8.12 Arguments for Dependent Claim Rejections Under 35 U.S.C. § 103(a)

As more fully set forth below, the Office has failed to meet its burden of establishing a *prima facie* case of obviousness under 35 U.S.C. § 103(a) with regard to the rejection of claims 3-21, 23-24 and 26-42. To sustain a *prima facie* case for obviousness under 35 U.S.C. §103(a), the prior art reference (or references when combined) must teach or suggest all claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. The obviousness rejections of Applicant's claims 3-21, 23-24 and 26-42 are unsupported by the Davidson and CompliancePro references, and should be withdrawn.

There are many distinguishing differences between Applicants' invention disclosure and the Davidson and CompliancePro disclosures cited by the Office. As described and claimed in Applicants' specification, the present invention is a computer-implemented method and system

for auditing loan compliance with government loan lending and licensing requirements. The Davidson disclosure teaches a method of electronically filing business loan applications. The CompliancePro disclosure teaches a method for providing electronic copies of textual information of lending requirements and for monitoring activities of personnel within a lending institution to ensure that they perform necessary tasks required by regulations.

Regarding Applicant's dependent claim 3 (previously presented), claim 3 claims building rules for all applicable licenses available within the geographic boundary using compliance base rule variables and rule building instructions, and storing the rules in a rule library. There is no disclosure of dependent claim 3 in the Davidson and CompliancePro references. Therefore, claim 3 is not unpatentable over the cited references under 35 U.S.C. § 103(a). In addition, since claim 3 is dependent on claim 2, which has been shown to be not anticipated, claim 3 is also not anticipated under 35 U.S.C. § 103(a). Therefore the rejection of claim 3 is unsupported by the cited references, and should be withdrawn.

Regarding Applicant's dependent claims 4 (original) and 5-9 (all previously presented), these claims involve allowing a user to add new licenses, to available applicable licenses and to add new rules for the new license, storing loan compliance rules in a rule library, allowing a user to review, change and modify an existing rule in the rule library, and where compliance rule variables represent data elements in a loan file. There is no disclosure of dependent claims 4-9 in the Davidson and CompliancePro references. Therefore, claims 4-9 are not unpatentable over the cited reference under 35 U.S.C. § 103(a). In addition, since claims 4-9 are indirectly dependent on claim 2, which has been shown to be nonobvious, claims 4-9 are also not unpatentable under 35 U.S.C. § 103(a). Therefore the rejections of claims 4-9 are unsupported by the cited references, and should be withdrawn.

Regarding Applicant's dependent claim 10 (original) and claim 11 (original), claim 10 claims allowing the user to build rules by specifying equations using base rule variables. Claim 11, which depends on claim 10 recites the rule building instructions comprise controlling the rule building process to eliminate rule errors. There is no disclosure of dependent claims 10 or 11 in the Davidson and CompliancePro references. Therefore, claims 10 and 11 are not unpatentable over the cited reference under 35 U.S.C. § 103(a). In addition, since claims 10 and 11 are dependent on claim 3, which has been shown to be nonobvious, claims 10 and 11 are also not unpatentable under 35 U.S.C. § 103(a). Therefore the rejection of claims 10 and 11 are unsupported by the cited references, and should be withdrawn.

Regarding Applicant's dependent claims 12-21 (original or previously presented), these claims involve associating loan compliance rules with a license to form a set of assigned compliance rules, defining the geographic boundary as a state, allowing a user to display and enter loan data over a communications network or global communications network to a rule library, identifying and storing applicable exemptions to government license requirements in assigned compliance rules, where loan originator requirements are state loan requirements, where the loan originator requirements are federal loan requirements, where the licensing requirements are state licensing requirements, and where the licensing requirements are federal licensing requirements. There is no disclosure of dependent claims 12-21 in the Davidson and CompliancePro references Therefore, claims 12-21 are not unpatentable over the cited references under 35 U.S.C. § 103(a). In addition, since claims 12-21 are indirectly dependent on claim 2, which has been shown to be not nonobvious, claims 12-21 are also not unpatentable under 35 U.S.C. § 103(a). Therefore the rejections of claims 12-21 are unsupported by the cited references, and should be withdrawn.

Regarding claim 23 (original), since claim 23 is dependent on claim 2, which has been shown above to be not unpatentable over the cited references, claim 23 is also not unpatentable under 35 U.S.C. § 103(a). Therefore the rejection of claims 23 is unsupported by the cited references, and should be withdrawn.

Regarding claim 24 (original), since claim 24 is dependent on claim 22, which has been shown above to be not unpatentable over the cited references, claim 24 is also not unpatentable under 35 U.S.C. § 103(a). Therefore the rejection of claims 24 is unsupported by the cited references, and should be withdrawn.

Regarding dependent claims 26-41 (all original), these claims have been rejected by the Office under 35 U.S.C. §103(a) as being unpatentable over the Davidson and CompliancePro references. Since claims 26-41 are either directly or indirectly dependent on independent claim 25, where independent claim 25 has been shown to be not unpatentable over the Davidson and CompliancePro references under 35 U.S.C.§ 103(a), claims 26-41 are also not unpatentable under 35 U.S.C. § 103(a). Therefore the rejections of claims 26-41 are unsupported by the cited references, and should be withdrawn.

Regarding claim 42 (previously presented), since claim 42 is dependent on claim 25, which has been shown above to be not unpatentable, claim 42 is also not unpatentable under 35 U.S.C. § 103(a). Therefore the rejection of claims 42 is unsupported by the cited reference, and should be withdrawn.

8.13 Arguments Presented by the Office in the Final Office Action

The Office has presented a number of citations from the Davidson and CompliancePro references that it asserts teaches all the elements of Applicant's claimed invention. The Office has failed to clearly identify elements of Applicant's claims that allegedly are taught by the citations presented in the Office communication of March 9, 2004. Furthermore, the citations

clearly do not identify all elements of Applicant's claims. As described above, the CompliancePro product is a system requiring multiple manual inputs and manual assessment to determine regulatory compliance of a lending institution, not a system and method for determining regulatory compliance of a loan data file as described and claimed in Applicants disclosure. The Davidson reference merely discloses a method for electronically filing a loan application by a loan applicant and an electronic checklist of procedures within a lending institution for manually processing that data and manually checking the completed tasks in loan processing procedures.

Regarding the Office citation that Davidson discloses that several employees of a financial institution review a loan data file submitted by an applicant to ensure that any changes in lending institution information or regulation is complied with. This citation has no relevance to Applicant's claimed invention, since there is no recital in any of Applicant's claim limitations of manual review of a loan data file to ensure that any changes in lending institution information or regulation is complied with. Applicants rely on interactively building computer implemented loan compliance rules from regulatory requirements and automatically comparing these rules to a loan data file to determine a compliance result.

Regarding the Office citation in CompliancePro of operational and administrative software, the CompliancePro "monitoring system" checks compliance of a lending institutions' departmental compliance with regulatory compliance by utilizing questionnaires, checklists and procedural assignments, and generating reports for regulatory and examiner personnel based on inputs from individual employees of the lending institution. There is no disclosure in CompliancePro of automatic compliance determination of loan data files with regulatory

requirements by comparing loan compliance rules with the loan data files, as provided in Figures 1 and 2 of Applicant's disclosure.

Regarding the citation by the Office that each institution can tailor the product to match its own business strategy, this has no relevance to Applicant's claims of allowing a user to build computer coded loan data compliance rules, as shown in Applicant's Figures 6-8, and comparing the loan compliance rules with a loan data file to determine a compliance result.

Regarding of the citation by the Office of the obviousness of including various licenses within a lending system loan process, there is no disclosure of determining regulatory compliance of a loan data file by ascertaining whether or not all participants of a loan application process have required licenses, as shown in Applicant's Figure 9. This is indeed one of the unique and nonobvious features of Applicant's invention.

Regarding the Office citation of software compliance with rules and regulations provided in the Federal Guide, the Federal Guide is a text-based recitation of all pertinent rules, regulations and statutes throughout the country. The use of the Federal Guide requires manual selection of appropriate jurisdiction, interpretation and application by an employee of a lending institution. Applicant's compliance rules are user defined computer coded rules, as shown in Figures 6-8, that are derived from rules, regulations and statutes that are applicable to the jurisdiction under consideration. Since many of these requirements vary from state to state and county to county, each jurisdiction generally requires its own set of computer readable compliance rules to determine loan compliance according to Applicant's claimed invention. Applicant's computer coded loan compliance rules provide rules for a particular jurisdiction where the real property that is the subject of a mortgage loan is located, usually based on where a lending institution is located. Applicant's computer coded compliance rules are very different

from the textual information found in the Federal Guide. There is no disclosure in the references cited by the Office of compliance rules for automatically determining loan data compliance with regulatory requirements. A reading of several applicable statutes or regulatory codes would provide ample evidence that generating computer based rules from these sources is far from obvious, and requires extensive investigation, analysis and legal interpretation in view of legislative history, committee reports during formulation of the codes, etc.

Regarding the assertion by the Office that the CompliancePro reference is software for determining compliance of loan data, there is absolutely no teaching or suggestion in the cited reference of determining compliance of loan data with regulatory requirements. Furthermore, there is also no suggestion in the cited reference of determining regulatory compliance of loan data files according to the present invention. The interpretation of the CompliancePro reference by the Office is clearly erroneous and not supported by a clear reading of the article as a whole.

Regarding the citation by the Office that the CompliancePro reference discloses interactively building compliance rules according to Applicant's claimed invention, as shown in Applicants Figures 6-8, there is no such disclosure in the CompliancePro reference. There is also no disclosure in this reference of comparing compliance rules with loan data files.

Regarding the citation by the Office that the CompliancePro software discloses teaching transferring loan data from one computer to another, there is no disclosure of loan data in the CompliancePro reference much less entering loan data in a computer interface that communicates with a loan audit server and a rules library via a communication network, as described in Applicant's Figure 11.

Since the Office has failed to substantiate a *prima case* for obviousness, the rejections of Applicant's claims 1-42 should be withdrawn and the claims allowed.

8.2 ARGUMENTS FOR NONOBVIOUSNESS UNDER THE GRAHAM FACTUAL INQUIRIES

8.21 Summary of Applicant's Invention

The present invention provides an automated computer-implemented method for determining whether a loan file, either in a loan origination system of a lending institution or inputted by a user, is in compliance with federal, state and other jurisdictional requirements. These requirements place limitations on allowable parameters, such as interest rates, points and closing fees, contained in a loan file that loan originators may use when processing and closing a loan. These requirements also dictate that certain state, federal and other jurisdictional licenses to be held by participating parties in the loan origination process, as indicated by entries in the loan file. These strict requirements are placed on loan origination entities for protection of loan applicants, and are enforced by various penalties including fines and loss of applicable licenses. See the specification, page 2, line 17 through page 4, line 10.

The automated compliance system is first initialized with computer-coded rules, 13 in Figure 1, derived from licensing requirements, laws and regulations applicable to the local jurisdiction. Key data fields are either manually entered or automatically extracted from a loan file contained in a loan origination system and transmitted to a loan audit server, 121 in Figure 11, where the data fields are compared with values determined by the computer-coded rules shown as 13 in Figure 1 and 123 in Figure 11. Compliance is automatically determined by whether the data in the data fields, 11 in Figure 1, conform to the computer-coded rules shown as 13 in Figure 1. This comparison of the data to the rules by the loan audit engine, shown as 12 in Figure 1 and 121 in Figure 11, determines whether the loan data file meets all the regulatory requirements placed on each individual loan that is processed by a loan origination entity such as

a mortgage company or bank. The comparison determines, for example, if the interest rate charged on a loan is within Federal Consumer protection guidelines for the particular type of loan. It may also be determined if the fees charged by a property appraiser, loan originator, real estate agent, title company, etc exceed government limits. Once the rules for a particular lender and lender jurisdiction have been determined, all loan data file by the lender in that jurisdiction may be processed using these same riles by a loan audit engine shown as 12 in Figure 1, to produce loan audit results shown as 15 in Figure 1. The loan audit result, 15 in Figure 1, of the compliance assessment is returned to the user/requestor or the loan origination system of the lending institution.

A typical embodiment of Applicant's invention is a computer-implemented system and method for auditing loan compliance that includes: (1) allowing a user to display, enter and store loan audit compliance data on a computer user interface shown as 21 in Figure 2; (2) allowing a user to interactively build loan compliance rules on a computer user interface, shown in Figures 6-8, and to store the loan compliance rules in a rules database, shown as 23 in Figure 2; and (3) responding to a loan audit request by retrieving the stored loan compliance rules and stored loan audit data, comparing the loan compliance rules to the loan audit data by the loan audit engine, shown as 12 in Figure 2, to determine a loan audit compliance result, and notifying a user of the loan audit compliance result. Alternatively, loan audit compliance data may be electronically transferred over a communications network, shown as 124 in Figure 11, from a user, shown as 125 in Figure 11, to a loan audit server computer, shown as 121 in Figure 11, for comparing the loan compliance rules, shown as 123 in Figure 11, to the loan audit data to determine a loan audit compliance result, and the loan audit compliance result may be electronically transferred from

the loan audit server computer to the user, shown as 125 in Figure 11, over the communications network.

8.22 Scope and Contents of the Cited Art

In rejecting Applicant's claims 1-42 under 35 U.S.C. § 103(a), the Office has cited U.S. Patent No. 5,699,527 by Davidson and an article in AMERICA'S COMMUNITY BANKER publication by Phil Bret.

U.S. Patent No. 5,699,527 by Davidson

The cited reference of Davidson discloses a loan processing system for use by a loan applicant. The Davidson reference discloses a software program that provides an electronic application to be filled out by a loan applicant. The loan applicant then uploads the electronic data file comprising the loan application to a lending institution's computer system. The described benefits to the loan applicant include a savings of paperwork, ease of updating loan data, and receipt of a business plan derived from the loan data file. The described benefits to the lending institution include a reduction in paperwork, standardization of the form of paperwork required, and an ability to ascertain status of a loan application portfolio. The Davidson reference also discusses (column 5, lines 40-53) some of the typical internal procedures used by lending institutions as well as responsibilities of designated personnel who have access to the lending institution's computer system, such as those responsible for overall review of the lending process, security issues, legal issues and matters, auditing, etc. In the description of Figure 5 in the Davidson reference (column 7, line 57 to column 8, line 18), a further description of the flow diagram is provided of the various functions of personnel and departments within the lending institution, including persons responsible for loan approval, security, marketing, auditing, legal, accounting, and payment. The Davidson reference also describes many benefits (column 9, lines 19-50) that derive from the use of the disclosed invention, including reports of benefit to an

auditor of the loan institution that may include demographic information, savings of time and paperwork as well as quick access to data, branch performance reports, quick updates to loan files, and the ability to modify the content of questions posed to the loan applicant to take into consideration changes in relevant law or policy of the lending institution.

CompliancePro Article in AMERICA'S COMMUNITY BANKER Publication

The cited reference of CompliancePro by Phil Bret discloses a software system that includes an extensive database of procedures that enable monitoring of compliance performance of a lending institution throughout the institution. It enables a lending institution to audit a financial institution's policies, procedures and internal controls to ensure that the institution's internal control structure is adequate and functions in accordance with sound accounting and reporting controls. It relies on monitoring performance of employees in various departments of the lending institution through questions contained in "workbooks" to ascertain if the lending institution is in compliance with regulatory requirements. It is capable of supplying federal and state compliance information in text format such as the Federal Guide to mortgage lender subscribers to enable employees to stay abreast of recent changes in laws and regulations.

Appendix B includes copies of several pages from the CompliancePro website at www.compliancepro.com. Figure 1 of Appendix B is a brief description of the history of CompliancePro, which includes "Our software, ComplancePro, allows institutions to prepare and document their compliance and audit efforts for federal regulatory examiners and third party auditors." Figure 2 of Appendix B is a brief description of the CompliancePro Compliance Monitoring Systems, which includes "CompliancePro is a fully automated, menu driven system, which enables you to effectively and efficiently administer and monitor compliance performance throughout your institution." Figure 3 of Appendix B is a brief description of the CompliancePro

Internal Audit system, which includes "CompliancePro is a fully automated, menu driven system which enables you to effectively and efficiently audit the financial institution's policies, procedures and internal controls to ensure that the institution's internal control structure is adequate and functions in accordance with sound accounting and reporting controls."

Furthermore, by clicking the "Demo" button on the "Products" drop down menu located on the left side of the CompliancePro website, a more detailed description and demonstration of the capabilities and features of the CompliancePro product may be found. CompliancePro makes use of "workbooks" to ensure that a financial institution is in compliance with observing rules and regulations set up by government agencies, including providing suitable documents and reports for regulators and examiners. The demonstration describes workbooks created by a system administrator, which are sent to various people throughout the institution. The workbooks contain questions to be answered by the recipient, and the workbooks are then returned to the system administrator. The system administrator then uses the accumulated answers to generate reports to be provided to regulators and examiners.

8.23 Differences Between the Cited Art and the Claims in Issue

While Applicant's invention is a system and method for automatically assessing whether a loan data file is in compliance with regulatory requirements, the Davidson and CompliancePro references describe procedures within an organization, and particularly procedures for determining whether a financial institution's policies, procedures and internal controls are in compliance with regulatory requirements.

In contrast to Applicant's invention, the Davidson reference describes the internal operation of a lending institution where the steps of processing loan applications are performed manually by various personnel based on reports generated from the electronic submission of the loan application by the loan applicant. While the Davidson reference discusses responsibilities of

loan auditor personnel ("review of a loan file to ensure that any changes in lending institution information or regulation is complied with", column 7, line 65 to column 8, line 2), it fails to disclose an automated system or method employed to audit loan data files to ensure compliance with regulatory requirements.

In comparison with Applicant's disclosed invention, CompliancePro does not notify a loan audit requester of a determined loan data file audit compliance result based on regulatory requirements such as federal and state regulations, CompliancePro does not audit loan data for compliance with regulatory requirements, and there is no disclosure of this capability in the cited reference. The cited reference does disclose (page 3, line 12-14) that CompliancePro "delegates accountability for compliance throughout a financial institution, and documents procedures performed and exceptions cleared." "It identifies the records and reports that should be filed and what has been filed." (page 3, lines 19-20). In other words, it performs a monitoring function to ensure that various personnel and departments have manually satisfied certain compliance monitoring activities. Also, in comparison with Applicant's disclosed invention, there is no disclosure in the cited reference that would "allow a user to enter a type of loan and related variables and retrieve applicable stored compliance rules and regulations to compare against loan data." Although the cited reference "enables financial institutions to distribute compliance information electronically between departments and branches" this information consists of text-based information such as textual "workbooks" and the "Federal Guide" as well as other textual summaries of laws and regulations. There is no disclosure in the cited reference of rules derived from these textual requirement documents that are executable by a computer system. There are also no disclosures in the cited reference that "also allow a bank, financial institution or user to build or customize compliance rules". Although the cited reference does disclose, "Each

institution can tailor the product to match its own business strategy", there is no disclosure of customizing compliance rules in the cited reference. The support for this description of the capabilities of CompliancePro are found in the cited reference by the Office, but is also supported by the descriptions and demonstrations found on the website of CompliancePro, as described above.

In summary, the CompliancePro reference describes a software product that provides textual compliance information, computer generated checklists and procedures for personnel within a lending institution to follow in order to ensure that procedures used within the lending institution meet regulatory requirements. There is no disclosure of an automated system for comparing loan data with loan compliance rules for determining loan compliance.

When the cited Davidson and CompliancePro references and Applicant's claimed invention are considered as a whole, it is evident that neither the Davidson nor the CompliancePro references possess all of the features of Applicant's claimed invention. There is no disclosure in the Davidson and CompliancePro references of performing the functions of Applicant's claimed invention of comparing loan compliance rules to loan data to determine loan audit compliance of the loan file with regulatory requirements. Furthermore, even if the cited references of Davidson and CompliancePro were combined, as suggested by the Office, the combination would not equal Applicant's disclosed invention. The result would be a system for monitoring activities within a lending institution to track whether personnel have manually performed assigned duties. There is no disclosure in either of the cited references of an automated loan auditing system for determining compliance of loan data files with federal, state and financial institution rules.

8.24 The Level of Ordinary Skill in the Pertinent Art

A person of ordinary skill in the pertinent art would be one knowledgeable in regulatory requirements for mortgage loan data processing by lending institutions as well as having an understanding of software processes relating to mortgage loan application procedures.

8.25 Evidence of a Commercially Successful Solution to a Long Felt Need

Prior to the introduction of Applicant's invention into the commercial marketplace, assessment of loan data compliance with regulatory requirements was conducted by lending institutions on a manual basis by personnel of the lending institution using textual reference material such as the Federal Guide identified in the CompliancePro reference discussed above. Because of the large volume of loan files typically processed by a lending institution and the magnitude of the effort required by lending institution personnel to assess compliance of each loan file, the assessment of loan data compliance was conducted on a sampling basis rather than assessing every loan file, with the hope that non-assessed loan files were also in compliance with regulatory requirements. In many cases, some loans were not in compliance with regulatory requirements. Failure to comply with governmental regulations oftentimes resulted in not insignificant monetary fines and other punitive measures levied against lending institutions. This resulted in a long felt need for a method of automating the loan data compliance process such that every loan data file was assessed for compliance with regulatory compliance requirements prior to closing the loan.

Applicant's claimed invention provides a solution to this long felt need by enabling a user to collect and process electronic loan data by interactively building computer readable rule sets, and initiating an automated comparison of the electronic loan data against the rule set. The user is then notified of a result of the automated compliance assessment.

Mavent, Inc., formerly Assured Regulatory Compliance, Inc., is the owner of Applicant's claimed invention. As evidence of the commercial success of the present disclosed invention, attached in Appendix C is a letter from the Chief Executive Officer of Mavent, Inc. describing the commercial success of the invention and the nexus of the claimed invention to the commercial success.

8.26 Results of the Graham Factual Inquiries

The results of the Graham inquiries discussed above show patentable and nonobvious distinctions between Applicant's claimed invention the references of Davidson and CompliancePro cited by the Office. Furthermore, as evidence of secondary considerations, evidence is submitted that shows Applicant's claimed invention is commercially successful solution to a long felt need. Therefore, since the present claimed invention is nonobvious, the rejections of Applicant's claims 1-42 should be withdrawn and the claims allowed.

9. SUMMARY

In summary, the responses detailed above rebut the assertions by the Office of the obviousness of Applicant's invention, and substantiate the nonobviousness of claims 1-42 under 35 U.S.C. § 103(a) as being patentable over the Davidson reference, U.S. Patent No. 5,699,527, in view of the CompliancePro reference. Since the rejections are unsupported for failure to find all Applicant's claim limitations in the cited references as well as failure to support a case of obviousness under the Graham factual inquiries, the Office has failed to establish a case for obviousness. In addition, since all of the limitations of Applicants' claims are not found in the references cited by the Office, even if the references were combined, as suggested by the Office, the combination would not equal Applicants' claimed invention.

Applicants respectfully request reversal of all rejections and that the application allowed to issue.

Respectfully Submitted,

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APPENDIX A

Claims on Appeal

1. (previously presented) A computer-implemented method for auditing loan compliance with government loan lending and licensing requirements, comprising the steps of:

a. allowing a user to display and enter loan audit compliance data, comprising the steps of:

i. receiving and displaying loan audit data on a user interface of a computer system; and

ii. storing the loan audit data in a loan data database in the computer system;

b. allowing a user to interactively build loan compliance rules, comprising the steps of

i. enabling the user to interactively build loan compliance rules on a user interface of the computer system; and

ii. storing the loan compliance rules in a loan compliance rules database in the computer system; and

c. responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of:

i. retrieving the loan compliance rules from the loan compliance rules database;

ii. retrieving the loan audit data from the loan data database;

iii. comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result; and

iv. notifying the loan audit request user of the determined loan audit compliance result.

2. (previously presented) A computer-implemented method for auditing loan compliance with government loan lending and licensing requirements, comprising the steps of:

a. allowing a user to display and enter loan audit compliance data, comprising the steps of:

i. receiving and displaying loan audit data on a user interface of a computer system; and

ii. storing the loan audit data in a loan data database in the computer system;

b. allowing a user to interactively build loan compliance rules on a user interface of the computer system, comprising the steps of:

i. using applicable licenses for a geographic boundary, building loan compliance rules for all applicable licenses available within the geographic boundary and storing the loan compliance rules in a loan compliance rules database in the computer system; and

ii. associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses and storing the list of loan originator licenses in the loan compliance rules database in the computer system; and

c. responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of:

i. identifying a loan type and loan originator;

ii. retrieving the loan originator licenses for the loan type and loan originator from the loan compliance rules database;

iii. retrieving the loan compliance rules associated with the loan originator licenses from the loan compliance rules database;

iv. retrieving the loan audit data from the loan data database;

v. comparing the loan compliance rules with the loan audit data to determine a loan audit compliance result; and

vi. notifying the loan audit request user of the determined loan audit compliance result.

3. (previously presented) The method of claim 2 further comprising building rules for all applicable licenses available within the geographic boundary using compliance base rule variables and rule building instructions and storing the loan compliance rules in a rule library database in the computer system.

4. (original) The method of claim 3 wherein building rules for all licenses available within the geographic boundary using the compliance base rule variables and rule building instructions further comprises:

allowing the user to add a new license to the applicable licenses available; and

allowing a user to build new rules for the new license.

5. (previously presented) The method of claim 2 further comprising storing the loan compliance rules in a rule library database in the computer system.

6. (previously presented) The method of claim 5 further comprising, if a rule exists in the rule library database for a license, allowing the user to review the rule.

7. (previously presented) The method of claim 5 further comprising, if a rule exists in the rule library database for a license, allowing the user to change the rule.

8. (previously presented) The method of claim 5 further comprising allowing the user to modify the loan compliance rules in the rule library database.

9. (previously presented) The method of claim 3 wherein the compliance base rule variables represent data elements in a loan file in the loan data database.

10. (original) The method of claim 3 wherein the rule building instructions comprise allowing the user to build rules by specifying equations using base rule variables.

11. (original) The method of claim 10 wherein the rule building instructions comprise controlling the rule building process to eliminate rule errors.

12. (original) The method of claim 2 further comprising associating the loan compliance rules with a license to form a set of assigned compliance rules.

13. (original) The method of claim 2 wherein the geographic boundary is a state.

14. (previously presented) The method of claim 5 wherein the user displays and enters loan data using a user interface embodied in a computer processor that communicates with the rule library database via a communications network.

15. (original) The method of claim 14 wherein the communications network is a global communications network.

16. (original) The method of claim 12 further comprising allowing a user to identify and store applicable exemptions to the government license requirements in the assigned compliance rules.

17. (previously presented) The method of claim 13 wherein the government loan originator requirements are state loan requirements.

18. (previously presented) The method of claim 13 wherein the government loan originator requirements are federal loan requirements.

19. (original) The method of claim 13 wherein the licensing requirements are state licensing requirements.

20. (original) The method of claim 13 wherein the licensing requirements are federal licensing requirements.

21. (original) The method of claim 14 wherein the communications network is selected from the group consisting of a satellite communication network, a telephone communication network, a microwave transmission network, a radio communication network and a wireless telephone communication network.

22. (original) A computer implemented method for auditing loan compliance with government and loan lending requirements, comprising:

a. electronically transferring loan data from a user interface embodied in a computer processor to a loan audit server computer over a communications network;

b. at the user interface computer, allowing a user to interactively build loan compliance rules using compliance based rule variables and rule building instructions comprising:

i. using licenses applicable to the state, building rules for all applicable licenses available within the state; and

ii. associating the applicable licenses with a loan originator to form a list of loan originator applicable licenses and storing the loan originator applicable licenses;

c. storing the loan compliance rules in a database connected to the loan audit server computer;

d. in response to a loan audit request:

i. identifying a loan type and the loan originator;

ii. retrieving the applicable licenses for the loan type and the loan originator by the loan server;

iii. retrieving the loan compliance rules associated with the applicable licenses from the stored rules in the database by the loan server;

iv. comparing the loan compliance rules to loan data to determine loan audit compliance results by the loan server; and

v. electronically transferring the loan audit compliance results from the loan server to the user over a communications network.

23. (original) A software program embodied on a computer-readable medium incorporating the method as recited in claim 2.

24. (original) A software program embodied on a computer-readable medium incorporating the method as recited in claim 22.

25. (original) A system for auditing loan compliance with government and loan lending requirements, comprising:

a. a user interface for displaying and entering loan audit compliance data; and

b. a loan audit server communicating with the user interface that:

i. allows a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions;

ii. stores the loan compliance rules;

iii. in response to a loan audit request:

(i) identifies a loan type;

(ii) determines the loan compliance rules that apply to the loan type;

(iii)compares the loan compliance rules to loan data associated with the loan audit request to determine loan audit results.

26. (original) The system of claim 25 wherein the loan audit results are displayed to the user via the user interface.

27. (original) The system of claim 25 wherein the user interface is embodied in a computer processor that communicates with the loan audit server via a communications network.

28. (original) The system of claim 25 wherein the loan audit server comprises a global communications network ("web") data server capable of transmitting and receiving loan data to and from the user via a global communications network.

29. (original) The system of claim 27 wherein the communications network is the Internet.

30. (original) The system of claim 25 further comprising storing the loan audit results in an audit compliance report.

31. (original) The system of claim 25 wherein the loan compliance rules are built by the user using the user interface.

32. (original) The system of claim 25 wherein interactively building a set of loan compliance rules comprises:

using applicable licenses for the state, the user builds rules for all licenses available within the state using the compliance base rule variable and rule building instructions and stores the rules in a rule library; and

using the applicable licenses, the user associates the applicable licenses with a loan originator to form the loan originator applicable licenses.

33. (original) The system of claim 32 wherein in comparing the loan compliance rules with the loan data, the loan audit server:

identifies a loan type and loan originator;

retrieves the applicable licenses for the loan type and the loan originator;

retrieves the loan compliance rules associated with the applicable licenses from the stored rules in the rule library;

compares the loan compliance rules to the loan data; and

compiles the loan audit results.

34. (original) The system of claim 27 wherein the communications network comprises a satellite communication network.

35. (original) The system of claim 27 wherein the communications network comprises a telephone communication network.

36. (original) The system of claim 27 wherein the communications network comprises a microwave transmission network.

37. (original) The system of claim 27 wherein the communications network comprises a radio communication network.

38. (original) The system of claim 27 wherein the communications network comprises a wireless telephone communication network.

39. (original) The system of claim 25 further comprising a generating a hardcopy of the loan audit results.

40. (original) The system of claim 25 further comprising storing the loan audit results on media selected from the group consisting of a hardcopy report, a tape, a film and a CD-ROM.

41. (original) The system of claim 25 wherein loan compliance rules comprise:

compliance based rule variables;

rule building instructions;

a compliance rules data library;

assigned compliance rules;

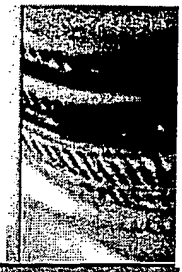
a list of government licenses for loan originators; and

data application rules.

42. (previously presented) The system of claim 25 wherein the user interface communicates with a web browser for transmitting and receiving the loan data and the loan audit results.

CompliancePro™

The industry leader in automated compliance monitoring



Home
About Us
History
Mission Statement
Customer Comments
Products
Support
Contact Us
Links

About Us

History

ABS Proactive, LLC was established in 1992 to provide an automated comprehensive tool for compliance self-assessments and audits for financial institutions in the United States. Our software, CompliancePro, allows institutions to prepare and document their compliance and audit efforts for federal regulatory examiners and third party auditors. CompliancePro is currently in place in over 300 financial institutions nationwide.

Our customers range in size from $20 million in assets to over $40 billion. As part of their risk management process, all institutions, regardless of size must have an effective compliance and audit program in place as mandated by the federal regulators. ABS Proactive, LLC provides a tool to assist both the compliance professional and auditor to better manage risk in these areas for the institution.

FIGURE 1

APPENDIX B

CompliancePro™

The industry leader in automated compliance monitoring

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Support
Contact Us
Links

Products

Compliance

Compliance Monitoring Systems (Bank & Thrift)

CompliancePro™ is a unique, Windows-based software program that combines consumer regulatory procedures into a single system. It combines ABS Proactive, LLC's extensive database of procedures with the latest Windows technology: Windows 95, Windows 98, and Windows NT. CompliancePro is a fully automated, menu driven system, which enables you to effectively and efficiently administer and monitor compliance performance throughout your institution.

In addition to use of risk rates and the testing calendar already provided in the software, financial institutions may also customize the software to add their own content (state regulations or bank policy items). This allows the software to truly reflect the compliance or audit position of the institution.

FIGURE 2

APPENDIX B

CompliancePro™

The industry leader in automated compliance monitoring

Products

Audit

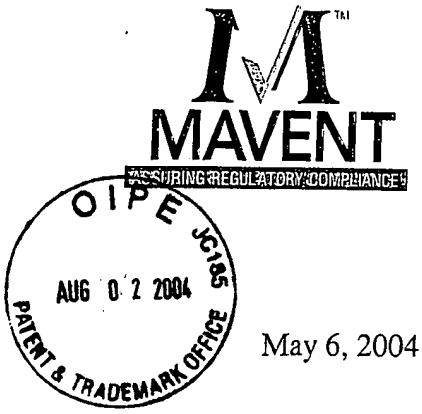
Internal Audit System

CompliancePro™ is a unique, Windows-based software program that combines internal audit procedures into a single system. It combines ABS Proactive, LLC's extensive database of procedures with the latest Windows technology: Windows 95, Windows 98, and Windows NT. CompliancePro is a fully automated, menu driven system which enables you to effectively and efficiently audit the financial institution's policies, procedures and internal controls to ensure that the institution's internal control structure is adequate and functions in accordance with sound accounting and reporting controls.

In addition to use of risk rates and the testing calendar already provided in the software, financial institutions may also customize the software to add their own content (state regulations or bank policy items). This allows the software to truly reflect the compliance or audit position of the institution.

FIGURE 3

APPENDIX B



May 6, 2004

To Whom It May Concern:

During its brief history, Mavent Inc. (formerly Assured Regulatory Compliance, Inc.) has achieved significant commercial success with its automated mortgage compliance solutions. The Company began offering its products to the mortgage origination industry in the summer of 2003 and has since secured five-year contracts to provide automated mortgage compliance for two of the fifteen largest mortgage originators in the United States. In addition, Mavent has executed agreements to provide the same service for two of the nation's largest document preparation companies and for other top one hundred mortgage originators. With the Company's most recent customer integrations, Mavent is now on pace for an annual revenue run rate of close to $10.0 million and has completed approximately 3.0 million compliance reviews for its customer. Mavent is not aware of any other company who has a contract to provide automated mortgage compliance solutions to any of the fifteen largest mortgage originators, thus it's likely that Mavent has the dominant market share.

Mavent provides the mortgage industry with comprehensive automated compliance solutions that review every loan in a residential mortgage lender's production pipeline or in a pool of closed loans for compliance with applicable federal, state, and local lending laws, rules, and regulations ("loan compliance rules"). This computer-implemented method for auditing loan compliance to government loan lending and licensing requirements is performed prior to the funding or purchase of a loan. Mavent's automated mortgage compliance system collects and processes electronic loan data against specified rule sets. These rule sets are the building blocks of the system which contain the instructions, criteria, analytical functions, consequent actions and results required for a specific compliance review. The rule sets are interactively built and maintained by the users on the system and then stored in a loan compliance rules database.

Prior to the introduction of the Company's automated compliance solutions, mortgage originators were forced to rely mostly on inferior, labor intensive techniques, often driven by excel spreadsheets and/or access to compendiums and other research material. Historically, the conventional pre-closing compliance methods used by residential mortgage lenders have included some combination of compliance training and education,

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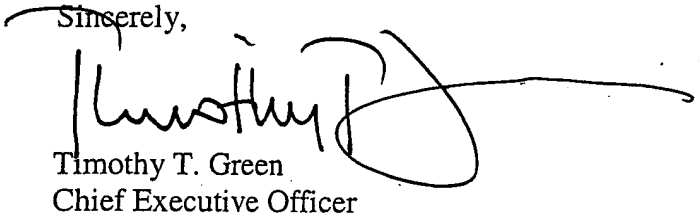
APPENDIX C

document standardization, targeted pre-closing manual audits, and production initiated query procedures (e.g. questions are fielded by a help desk or supervisor personnel).

Mavent integrates its automated compliance solutions seamlessly with a customer's loan origination system, underwriting engine, or other production system, extracting routinely entered data, so that the loan audit data for every loan file is compared against the loan compliance rules and the loan audit request user is then automatically notified via the user interface of the loan audit compliance result. The user can initiate a loan audit through a user interface or automatic protocols can be established. The loan audit data and the loan audit compliance result are stored by Mavent and its customers in loan data databases for archival purposes.

Sincerely,



Timothy T. Green
Chief Executive Officer
Mavent Inc.

APPENDIX C